



GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

January 27, 2009

JEREMIAH W. (JAY) NIXON
GOVERNOR

P.O. Box 720
(573) 751-3222

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

The State of Missouri and its citizens face unprecedented uncertainty as a result of the national economic crisis. To solve the problems facing our people and our state, we must come together across party and ideological lines to get Missourians working. My vision is a healthy, educated, working Missouri that is prepared to compete and succeed in the 21st Century. The Executive Budget for Fiscal Year 2010 carefully balances substantial cuts to the government infrastructure with across-the-board maintenance of essential services Missourians have a right to expect from those who serve them. Moreover, in certain carefully selected areas chosen for their ability to strengthen Missouri's economy in both the short and long term, the Fiscal Year 2010 Budget proposes new investments that will create the jobs of the future, provide a world-class education, expand access to health care, and build a more efficient and effective state government.

Balancing the Fiscal Year 2010 Budget required an exhaustive review of state programs and expenditures, with more than \$1 billion in overall core reductions (including more than \$250 million in reductions of general revenue spending) and the elimination of more than 1,300 positions. These decisions reduce the size of government to a level that can be sustained with foreseeable revenues while providing, without interruption, those services Missourians expect and demand. This smaller, more flexible government will ensure that the state can move forward despite economic uncertainty and empower unemployed Missourians to get back to work. This budget also includes reasonable assumptions, based on the best data available, concerning resources Missouri may receive to help maintain services and strengthen our economy. Our ability to responsibly manage the opportunities created by any funds received above the levels assumed may well determine the economic future of this state and its people, as well as define the character of leadership this government has and can summon in times of critical decision.

The Fiscal Year 2010 Budget will:

- Invest in Missouri's workforce and create jobs with the Show Me JOBS initiative;
- Prioritize support for K-12 education, including full funding of the Foundation Formula;
- Guarantee no tuition increases at Missouri's public colleges and universities;
- Expand access to higher education through implementation of the Missouri Promise Program, providing qualified students a pathway to a 4-year degree, tuition free;
- Maintain vital health care services while expanding access to these services to an additional 62,000 Missourians, including more than 27,000 uninsured children; and
- Make state government more efficient and effective.

This is a new day for Missouri. As your Governor, I will work every day to help make our bright future a reality for all Missouri families. The Fiscal Year 2010 Budget provides a roadmap to accomplish this, but the challenges facing our state, our communities and our families are too great to reject any solution merely on the basis of authorship. I look forward to considering all solutions offered in the spirit of problem solving and public service. I am deeply honored and humbled by the opportunity to lead our state during this critical time. I look forward to finding the common ground on which we can work together to create new jobs, make health care more accessible, protect consumers, and educate our children.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeremiah W. Nixon".

Jeremiah W. (Jay) Nixon
Governor

The Missouri Budget and Legislative Priorities

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Creating the Jobs of the Future

"During these difficult economic times, we must come together, across party lines, to get Missourians working. By working together, we'll create new jobs, support small-business growth and foster the high-tech, high-paying industries of the future here in Missouri."

Governor Jay Nixon

To turn Missouri's economy around, Governor Nixon believes we must reinvest in our greatest asset – our hardworking men and women. Missouri is home to the brightest, most productive people in the nation, yet too many families are struggling to make ends meet. To turn our economy around, the Governor's top priority is to create new jobs for the 21st Century.

Governor Nixon's Fiscal Year 2010 budget and legislative priorities will:

- Create jobs through the Show Me JOBS initiative;
- Prepare Missouri's workforce for the future;
- Revitalize rural Missouri; and
- Diversify Missouri's economy through energy innovation.



Show Me JOBS

Immediately following his election, Governor Nixon wasted no time in addressing the ongoing economic crisis. In December 2008, he announced a bipartisan plan to get Missourians back to work and support small-business growth during these challenging economic times. The Governor's Show Me JOBS initiative will:

- Expand the Missouri Quality Jobs Program.
- Provide low-interest loans to small businesses.
- Create incentives for worker training and re-training.
- Coordinate all state actions with federal efforts.
- Establish the Missouri Automotive Jobs Task Force.
- Foster expansion of existing Missouri businesses.

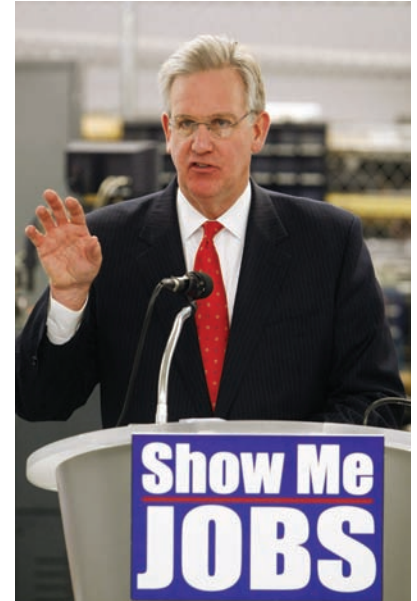
Expand the Missouri Quality Jobs Program

The Quality Jobs Program provides tools for communities to attract high-paying jobs to Missouri. To qualify for incentives under the Quality Jobs Program, potential employers must guarantee an above-average wage and health care benefits to employees. The program has had success across the state. Governor Nixon will work with legislative leaders to pass a bipartisan plan expanding this program and the benefits it offers.

Provide Low-Interest Loans to Small Businesses

Ninety-four percent of Missouri businesses employ fewer than 50 employees. Small businesses are a vital component of Missouri's economy, and they will help provide the high-paying jobs of the future. To create additional jobs, small businesses must have access to low-interest or no-interest capital, particularly in the current economic climate. Working together, the Missouri Department of Economic Development and the Missouri Development Finance Board will collaborate to create a low- or no-interest loan fund to support small-business growth. Program assessment fees collected on current Missouri Development Finance Board loans are one possible source of revenue for the fund. The Department of Economic Development and Missouri Development Finance Board will explore alternative funding sources as well.

On his first full day in office, Governor Nixon issued an Executive Order directing the Department of Economic Development to collaborate with the Missouri Development Finance Board to create a pool of funds designated for small-business loans.



Create Incentives for Worker Training and Re-training

To compete in the new global economy, Missouri workers must be equipped with 21st-Century knowledge and skills, and employers must have the resources necessary to provide this training for their employees. The Governor's Fiscal Year 2010 budget includes \$14.6 million for the state's Customized Training Program to aid businesses with job creation and retention. During these challenging economic times, that's a 38 percent increase for this vital job training program.

Coordinate all State Actions with Federal Efforts

States and the federal government will work together to address the current economic crisis. To ensure that these efforts are as efficient as possible, state officials will coordinate all job-creation initiatives with the federal government. This will avoid any needless duplication and guarantee that all state efforts complement the federal stimulus package.

On his first full day in office, the Governor issued an Executive Order establishing the Governor's Economic Stimulus Coordination Council to examine how Missouri can maximize all federal stimulus funding dedicated to the state.

Establish the Missouri Automotive Jobs Task Force

Missouri is home to the most productive auto industry employees in the country, as well as state-of-the-art production facilities. However, the economic crisis has hit the auto industry especially hard, and too many Missouri auto workers have seen their jobs disappear. Missouri's automotive manufacturing sector lost over 10,700 jobs in the last decade. When combined with transportation equipment manufacturing jobs, the loss totals 36,300 jobs. In the years to come, America's auto industry employees will be rolling out new lines of high-tech, fuel-efficient vehicles. Missouri's highly skilled automotive industry should play a leading role in future automotive ventures.

On his first full day in office, Governor Nixon issued an Executive Order establishing the Missouri Automotive Jobs Task Force to identify ways state government can best help Missouri's automotive industry and the industries that are dependent upon it.

Foster Expansion of Existing Missouri Businesses

The Missouri BUILD Program provides tax credits to help large-scale businesses expand their operations and create new jobs in the state. However, under the current program, Missouri businesses are required to solicit economic development proposals from other states before becoming eligible for Missouri incentives. To help keep these businesses in Missouri, Governor Nixon's Show Me JOBS plan will empower the Director of the Department of Economic Development to waive this requirement on a case-by-case basis.

A Workforce for the 21st-Century

Caring for Missourians: Training for Critical-Need Health Care Jobs

Missouri is experiencing a shortage of health care professionals, and the most severe impact of this shortage falls on low-income Missourians in urban and rural areas. Caring for Missourians is a coordinated effort by Missouri's two- and four-year, public higher education institutions to address the shortage by increasing the number of graduates to fill these jobs. To meet this critical need, Governor Nixon's Fiscal Year 2010 budget includes \$39.8 million to increase the opportunities for an additional 916 Missouri students to enter the health care field through a public community college or four-year institution.



Fiscal Year 2010 Budget Highlights

Governor Nixon's Fiscal Year 2010 Budget includes:

- ❖ \$14.6 million for the Missouri Customized Training Program, including a 38 percent increase over FY 2009.
- ❖ \$16 million for the Community College New Jobs Training Program, which provides assistance to businesses expanding Missouri's workforce.
- ❖ \$10 million for the Job Retention Training Program, which provides general skill and industry-specific occupational training for Missouri businesses.
- ❖ \$167.4 million for assistance with child care costs for low-income working parents, including a \$3.4 million increase over FY 2009 to maintain current eligibility levels.
- ❖ \$13.4 million for the Life Sciences Trust Fund to provide research grants to aid the industries of tomorrow.

Revitalize Rural Missouri and Encourage Energy Innovation

In recent years, global economic forces and changes in technology have caused many rural communities to lose their historic job base of mining, farming, and manufacturing. Revitalizing the rural areas of the state will take more than just shoring up our farm economy; it will take systematic and strategic investment in Missouri's rural infrastructure. Governor Nixon supports initiatives to assist in developing new competitive advantages through technology, marketing, and innovation.

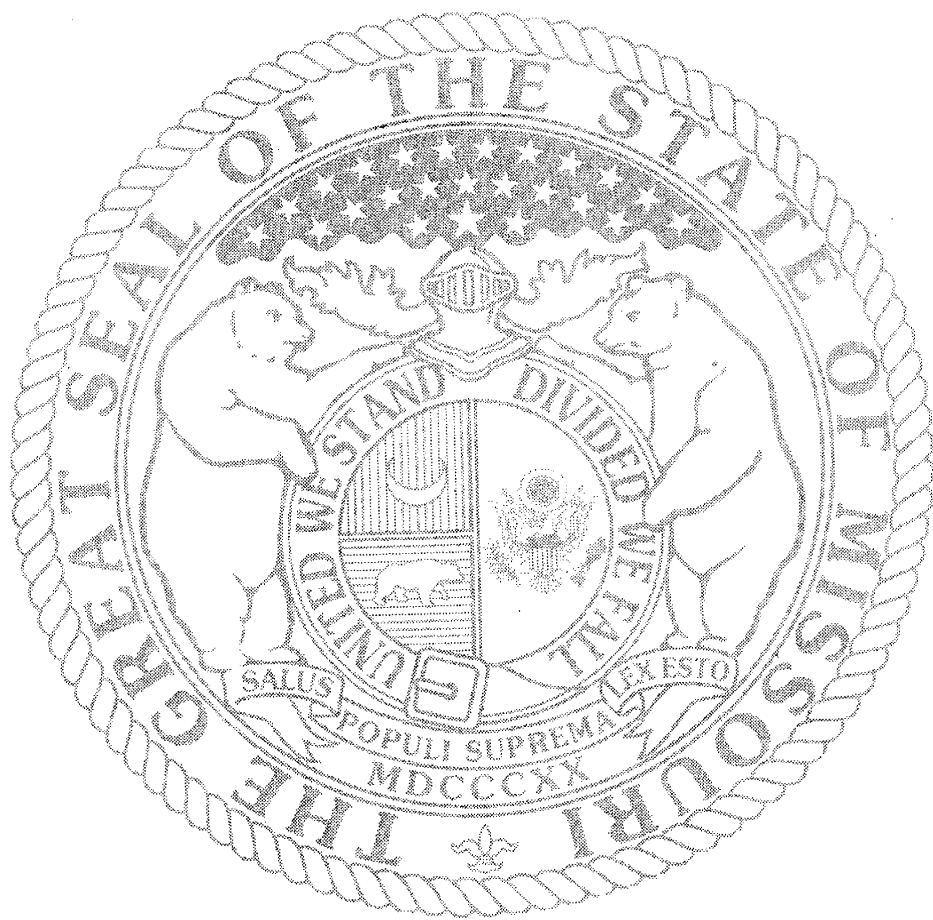
The Governor will support rural Missouri's economy by:

- Providing support for ethanol and biodiesel production.
- Prioritizing life- and plant-science research.
- Expanding agricultural markets for Missouri products around the world.
- Exploring opportunities to bring the Internet to every home in Missouri.

Governor Nixon is committed to making Missouri a leader in the "green economy" of the 21st Century. Missouri businesses and citizens are already working across the state to find the energy solutions for tomorrow. Opportunities for green jobs continue to expand; tomorrow's energy jobs will help keep hard-working Missourians employed and contributing to the economy. Governor Nixon's administration will take advantage of the state's geography, quality workforce, and commitment to the future to make Missouri a green energy hub for wind, water, solar, biofuels, and ethanol resources.



Renewable fuels such as ethanol and biofuels are domestically produced from renewable sources such as corn and soybean oil. To support the continued production and use of alternative fuels, Governor Nixon is recommending a net increase of \$6.3 million to expand biodiesel fuel production by over 31 million gallons annually, bringing the total funding to \$40.6 million. The Governor's budget also includes \$12.5 million in continuing support for full production at Missouri's four ethanol plants.





Providing a World-Class Education

"To turn this economy around, we must ensure that Missouri's workforce is trained and prepared for the jobs of the future. My priorities are to fully fund K-12 public education and provide more Missouri students access to an affordable four-year college degree."

Governor Jay Nixon

To prepare Missouri children for the challenges of the 21st Century, Missouri must provide a first-class public education for all students, from pre-school through college. The Governor is committed to bringing educators and parents to the table to improve Missouri's education system. Educated solely in public schools from kindergarten through law school, Governor Nixon knows the opportunities a quality public education can provide.

Every young person in Missouri deserves the opportunity to get a college education. However, too many families are struggling to save enough to pay for their children to continue their education beyond high school. Tuition at our state colleges and universities has increased dramatically, and higher education is moving further out of reach for more Missouri families each year. Governor Nixon is committed to expanding access to post-secondary education.

Governor Nixon's Fiscal Year 2010 budget and legislative priorities will:

- Strengthen public education;
- Expand access to higher education and job training; and
- Implement the initial steps of Missouri Promise.



Support for Public Education



Governor Nixon knows the value of a quality public education and is committed to maintaining vital state support for early childhood programs and elementary and secondary schools throughout the state.

Fully Fund K-12 Education

The Foundation Formula is the state's primary means of funding core education services to Missouri's 524 public school districts. Governor Nixon is committed to fully funding K-12 education. His Fiscal Year 2010 budget includes an additional \$148.5 million for the Department of Elementary and Secondary Education, including \$61.7 million to fully fund the state's Foundation Formula.

Early Childhood

The economic and academic consequences of failing to invest in early childhood education are staggering - reduced academic achievement, lower-paying jobs, a higher reliance on public assistance, and decreased chances of home ownership. Governor Nixon believes early childhood education is a smart investment, and he will maintain vital core funding for state early childhood programs.

Safe Learning Environments

Governor Nixon believes every child deserves the chance to learn. Yet, no child can learn in a disorderly classroom. Passed in 1996, the Safe Schools Act initiated new programs, such as alternative schools, which offer smaller classes and individualized attention for at-risk students with specialized developmental or behavioral needs. Funding for alternative schools has fallen off in recent years, so Governor Nixon will work to expand alternative school options available to school districts. The Governor's Fiscal Year 2010 budget provides \$3.4 million for this vital program, including new funds for the first expansion since its peak funding level in Fiscal Year 2002.

Support for Public Education

Fiscal Year 2010 Budget Highlights

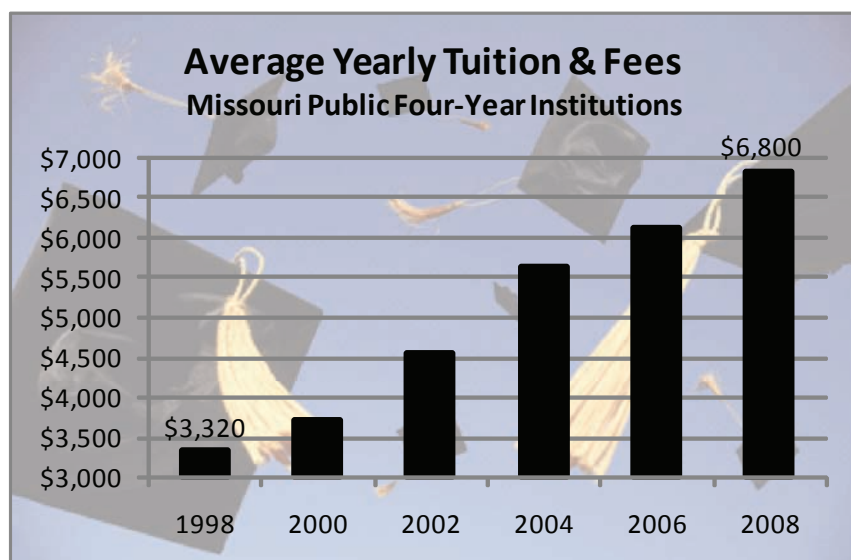
Governor Nixon's Fiscal Year 2010 Budget includes:

- ❖ \$3 billion for the Foundation Formula for elementary and secondary education, including a \$61.7 million increase over FY 2009.
- ❖ \$37.7 million for Career Ladder, including a \$300,000 increase over FY 2009.
- ❖ \$3.4 million for alternative schools, including a \$250,000 increase over FY 2009.
- ❖ \$50.9 million for state board-operated schools, including a \$1 million increase over FY 2009.
- ❖ \$183.6 million for student transportation, including a \$15.8 million increase over FY 2009.
- ❖ \$219.7 million for school food services, including an \$11.9 million increase over FY 2009.
- ❖ \$24.8 million for sheltered workshops, including a \$3.6 million increase over FY 2009.
- ❖ \$30.4 million for the First Steps Program, including a \$1.2 million increase over FY 2009.
- ❖ \$34.3 million for Parents as Teachers.
- ❖ \$358.9 million for early childhood special education and special education grants, including a \$29.7 million increase over FY 2009.
- ❖ \$25.9 million for the special education High Need Program, including a \$4.9 million increase over FY 2009.
- ❖ \$56.1 million for vocational rehabilitation grants, including a \$3.6 million increase over FY 2009.
- ❖ \$3.8 million for assistive technology equipment to individuals with disabilities.
- ❖ \$52.9 million for Career Education programs.



Access to Higher Education

Post-secondary training is critical for Missouri students to prepare for 21st-Century jobs. However, because costs at public colleges and universities continue to outpace inflation, many institutions have raised tuition and fees, making it difficult for Missouri students to afford. The chart below shows the rapid growth in tuition and fees at Missouri's public colleges and universities over the last decade.



Protect Students from Tuition Increases Next Year

Over the past 10 years, tuition at Missouri's public colleges and universities has increased by an average of 7.5 percent a year. Around the country, public institutions are planning to raise tuition significantly in order to make up for reductions in state funding. While students in many other states will likely see double-digit tuition increases next year, Governor Nixon has reached a historic agreement with Missouri's two- and four-year public

institutions to freeze tuition rates for the 2009-2010 school year at current levels. This agreement will protect Missouri students from tuition increases and ensure the state's higher education institutions receive the stable funding they need. Avoiding tuition increases at Missouri's public higher education institutions is an unprecedented feat during these challenging economic times and an unqualified victory for Missouri students and their families.

Vital Support for Public Colleges and Universities

Missouri's economic recovery is dependent upon having an educated workforce that will attract and retain quality jobs. In a very real sense, Missouri's higher education institutions offer one of the best means of leading Missouri out of the current recession and back to our full economic potential. The Governor's Fiscal Year 2010 budget maintains vital core funding for these institutions to continue their missions, educating over 224,000 students. It includes \$985.9 million for Missouri's public two- and four-year higher education institutions, exceeding the Fiscal Year 2009 funding level of \$961.5 million. While other states are slashing funding for public higher education institutions, Governor Nixon is increasing critical state support to prepare Missourians for the jobs of tomorrow.

Access to Higher Education

Improve Access to Post-Secondary Programs

The Access Missouri Financial Assistance Program is a need-based scholarship program for full-time Missouri students attending a Missouri higher education institution. Governor Nixon is maintaining core funding of \$95.8 million for Access Missouri. The Fiscal Year 2010 budget also includes \$2.5 million in additional funding for Access Missouri to provide an inflationary increase in the award amounts. It is important that award amounts for Missouri's need-based scholarship program keep up with inflation to ensure that higher education remains affordable for Missouri families.

Currently, the scholarship amount a Missouri student receives under Access Missouri depends on what type of higher education institution he or she attends. Students attending public four-year institutions receive awards ranging from \$1,000 to \$2,150; students attending private four-year institutions receive awards ranging from \$2,000 to \$4,600. Governor Nixon believes that Access Missouri's taxpayer-funded scholarships should be equitably distributed, with the same amount of funding available to a student whether he or she attends a public or private institution. Missouri has first-class higher education institutions, both public and private, and all Missouri students should be eligible to receive the same incentive.



The Missouri Promise



To compete in the 21st-Century economy, Missourians must have access to an affordable college education. Unfortunately, during these difficult economic times, too many families are being hit particularly hard. Tuition costs have increased dramatically; at the same time, students are graduating with more debt than ever. Over the past ten years, student borrowing has more than doubled, leaving young people struggling for years to pay off student loans. Governor Nixon believes this is unacceptable. Under Governor Nixon's leadership, the state will improve college affordability and accessibility for Missouri students.

Governor Nixon is committed to creating a pathway to a debt-free four-year degree for more Missouri students, and his Missouri Promise program is a key step toward that goal.

The Missouri Promise builds on the state's existing A+ Schools Program to extend the benefits of higher education to more Missourians. Under the A+ program, which was created in 1993, more than 18,000 Missouri students a year receive scholarships for two years of funding at a Missouri community college, vocational, or technical school.

This year, the Governor is implementing the first step of the Missouri Promise Program. Students who have successfully finished their first two years in community college will be eligible to continue their education into their Junior and Senior years at the public four-year college or university of their choice. Under this program, Missouri students have a realistic pathway to a four-year college degree tuition free, and without having taken on a crushing debt burden.

Governor Nixon's Fiscal Year 2010 budget provides:

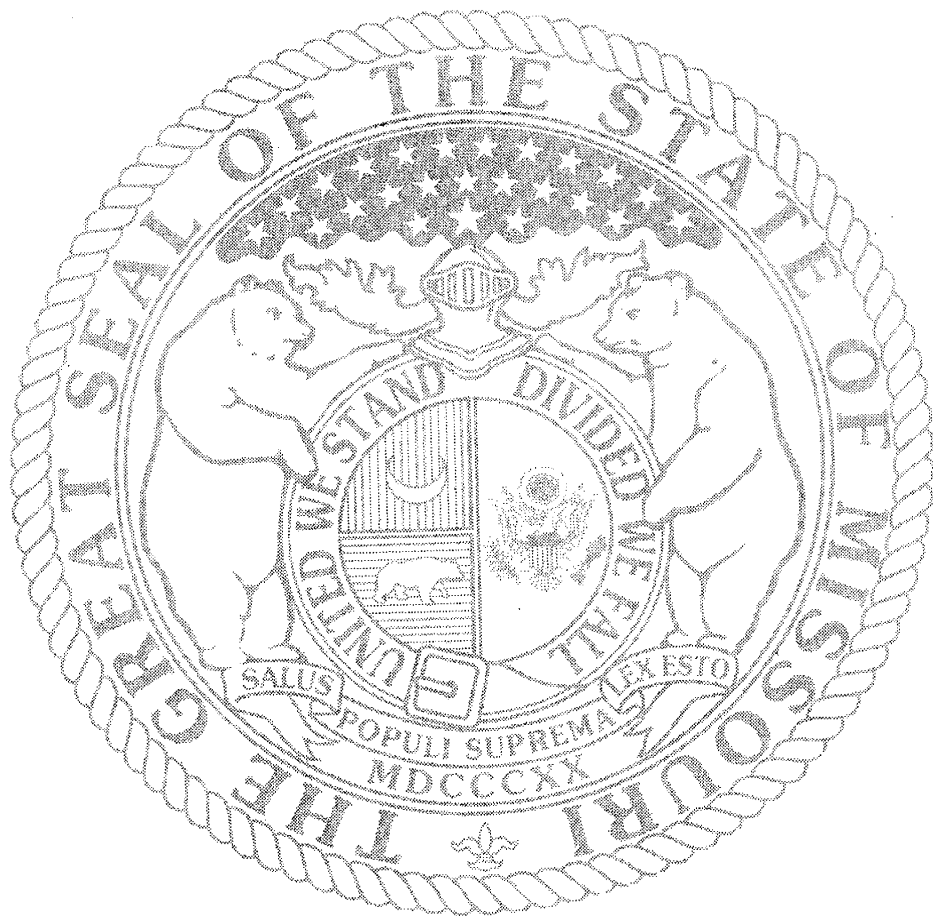
- 2 years of tuition reimbursement at public community colleges, vocational, or technical schools.
- 1 additional year of tuition reimbursement at public four-year colleges and universities after completion of two years at a community college, vocational, or technical school.

The Missouri Promise

The Missouri Promise Program is expected to provide two years of community college to 19,300 Missouri students and further educational opportunities for 8,200 students at public four-year colleges and universities.

Governor Nixon's Fiscal Year 2010 budget provides \$51.5 million to implement the first year of Missouri Promise, including \$25.3 million transferred from the former A+ Schools Program in the Department of Elementary and Secondary Education.







Expanding Access to Health Care

"Without health care coverage, parents cannot be productive in the workplace, and children cannot succeed in school. I am committed to expanding access to health care for Missouri families and reducing the number of uninsured citizens in our state."

Governor Jay Nixon

Governor Nixon knows that to compete in the new economy, Missouri families need health insurance. Workers must be healthy to succeed on the job. Children must be healthy to succeed in school. Part of any economic recovery plan must address the growing number of uninsured citizens.

To further his commitment to address this serious issue, Governor Nixon is taking the first step by working with state legislative leaders to forge a bipartisan plan that will decrease the number of uninsured Missourians and maintain health care coverage currently provided by the State of Missouri in a fiscally responsible manner.

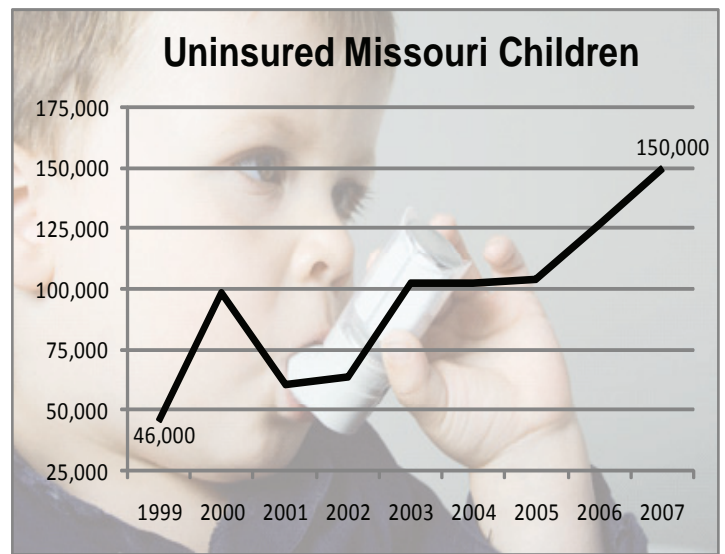
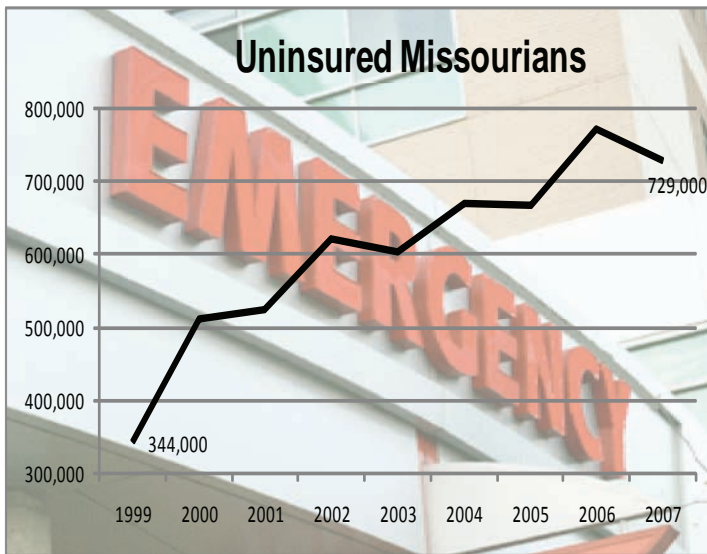
Governor Nixon's Fiscal Year 2010 budget and legislative priorities will:

- Expand access to health care for working Missourians and children; and
- Maintain vital health care services provided by the state.



Health Care Access

Rising medical costs and insurance premiums are making it harder for the average Missourian to afford health insurance. According to the U.S. Census Bureau, the number of uninsured individuals has more than doubled in Missouri over the last eight years. Currently, more than 728,000 Missourians lack health insurance. During the same period, the number of uninsured Missouri children more than tripled.



Coverage for Uninsured Missourians

State leaders agree that a healthy workforce is a more productive workforce. Governor Nixon's Fiscal Year 2010 budget takes the first step to fund health coverage for an additional 62,000 Missourians, including over 27,000 children. The Governor's plan to decrease the number of uninsured his first year:

- Expands eligibility thresholds to cover an additional 34,000 working parents.
- Eliminates premiums for children living between 150 percent and 225 percent of the Federal Poverty Level (FPL), so more children will enroll in the State Children's Health Insurance Program (SCHIP).
- Provides children continuous eligibility, so parents don't have to fear loss of coverage if their family or job situation changes.
- Streamlines the premiums for children between 225 percent and 300 percent of the FPL, so their coverage costs a standard \$50 per month.
- Enhances outreach efforts to make sure those eligible for coverage throughout the state are enrolled.

Health Care Access

Senior Services

Missouri is home to more than 780,000 citizens age 65 and older. Governor Nixon values Missouri seniors and supports programs to assist them in maintaining an independent and active lifestyle. The Governor's Fiscal Year 2010 budget preserves vital state funding to the Area Agencies on Aging for programs such as home-delivered meals and home health assistance.

A More Efficient and Effective Health Care System

Right now, more than 60 state agencies, boards, and commissions are involved in setting and enforcing health care policy for the State of Missouri. To make government work smarter and more efficiently, Governor Nixon will conduct thorough performance reviews of all state agencies, including the agencies involved with health care delivery in Missouri.

In addition, the Governor will appoint a Blue Ribbon Commission charged with developing comprehensive plans to improve health care delivery through the use of modern information technology.

Focus on Successful Prevention Programs

Prevention programs are important to the long-term health of Missourians. The Governor pledges to look for opportunities to expand the state's prevention efforts. Toward this end, Governor Nixon will:

- Direct state health agencies to conduct a thorough review of services to identify areas where preventative screenings and testing are needed and where services can be expanded.
- Promote access to adequate pre-natal care and childhood immunizations.
- Focus on reducing childhood obesity.
- Support efforts to combat youth smoking.

Maintain Vital Services

Fiscal Year 2010 Budget Highlights

Governor Nixon's Fiscal Year 2010 Budget includes:

- ❖ \$7.1 billion for Missouri's Medicaid program, including a \$360.8 million increase over FY 2009 to maintain current eligibility and service levels.
- ❖ \$231.1 million (\$37 million general revenue) to expand health care coverage to an additional 62,000 Missourians, including over 27,000 children.
- ❖ \$360,000 for the Missouri Quality Homecare Council to coordinate care for elderly and disabled clients served by state programs. Missouri voters approved establishing the Council in November 2008.
- ❖ No reduction in direct services to non-Medicaid patients in the Department of Mental Health, or to seniors or individuals with disabilities served by the Department of Health and Senior Services.
- ❖ \$44.1 million for local Area Agencies on Aging.
- ❖ \$9 million for core public health functions provided through local health departments.
- ❖ \$91.2 million for state-operated habilitation centers, which serve developmentally disabled consumers.
- ❖ \$3.8 million for genetic screening for 29 conditions in 81,000 newborns each year.
- ❖ \$2.6 million for the Screening, Brief Intervention, Referral and Treatment Grant, which provides substance abuse screenings.
- ❖ \$1.8 million for staff training programs at Department of Mental Health facilities throughout the state.
- ❖ \$1.5 million for ongoing efforts to combat youth smoking.
- ❖ \$1.2 million for the state's Office of Minority Health.



Building an Efficient and Effective Government

"It's not the time to point fingers or play politics. It's time to roll up our sleeves and make this government work for Missouri families."

Governor Jay Nixon

The national and international economic collapse has had a devastating impact on Missouri's economy. Together, we must take bold action to make government smaller, more efficient, and more responsive. By making tough decisions and instilling the right priorities, the state will free up additional resources to create new jobs, educate our children, make health care more accessible, and help middle-class families through these tough economic times. Bringing state government expenditures in line with expected revenues will require tough decisions. Governor Nixon is committed to ensuring the state lives within its means and the state budget reflects the needs of Missouri families.

Governor Nixon will:

- Provide leadership and fiscal responsibility; and
- Make state government more transparent.



Leadership and Fiscal Responsibility

During the state's difficult financial times, a detailed analysis of the budget is critical. Governor Nixon took steps to begin his review and face the state's funding issues immediately. Within a week of his election, the Governor had a team in place to conduct a thorough analysis of the state's budgetary condition, advise him on fiscal and appropriations matters, and aid in preparation of his administration's first budget package.

During his first days in office, the Governor took action to address state government spending by:

- Requiring each department and agency to develop plans for an immediate reduction of expenditures in the current fiscal year.
- Initiating a review of all new, long-term state contracts for goods and services.

Governor Nixon will work to make government more efficient and effective in the coming weeks by:

- Directing a review of all capital projects that have not already broken ground.
- Ordering a top-to-bottom performance review of every state agency and major program.
- Instructing the Department of Economic Development to report on all tax credits to determine which are producing the intended benefit and which are not.

The Fiscal Year 2010 budget includes 1,329 fewer state positions. The Governor worked to make these reductions in areas that will have the least impact on vital services and preserve the priority areas of jobs, education, and health care.

Given the reduced size of state government, state employees will be asked to do more with less. Governor Nixon knows that as duties shift to remaining employees, state employees must remain adequately compensated and healthy. Public service is crucial to continue vital services provided to Missouri taxpayers. The Governor's Fiscal Year 2010 budget includes:

- \$95.9 million to maintain current health care plan benefit levels for state employees.
- \$79.3 million for a 3 percent pay raise for all state employees.



Transparent Government

An End to Political Patronage

Governor Nixon is committed to changing the way Missouri manages local motor vehicle license offices by ending the current system of political patronage. Before taking office, the Governor announced his plan to implement new, common-sense reforms to the process of awarding license office management. In one of the first actions of his administration, Governor Nixon ended the era of license office patronage, competitively bidding out the first 12 of Missouri's 183 license offices. All others will follow in the weeks and months to come. The Governor's initiative will streamline the license system and save money for Missourians. Governor Nixon's administration will take two steps to reform the license office system.

1. The Missouri Department of Revenue will request competitive bids on every contracted license office in Missouri.

The goal will be to obtain the best bid to ensure maximum efficiency, qualified personnel, convenient service for customers, secure and accessible office space, and financial stability of the contractor. The evaluation process includes a straightforward point scale that also considers whether a civic or not-for-profit group is bidding. The Request for Proposals (RFP) also includes consideration of whether a bidder is a minority, a woman, or a minority/woman-run organization. Once a bid is awarded, the Department of Revenue has the option of renewing the contracts for up to three years after the first year is completed. All license offices will undergo a transition process. New contracts will be awarded on a timeline to ensure continuity of service for Missourians.

2. The Missouri Department of Revenue will increase efficiency by moving more of the license-renewal process on-line.

Other states are effectively using the Internet to process license plates and renewals. The state of Arizona completes 45 percent of eligible transactions online and Virginia completes 28.8 percent of eligible transactions online. However, the State of Missouri currently only completes less than one percent of transactions through the Internet. Bringing the license-renewal process online will save money and time for Missourians and reduce overhead expenses for the state.

Responsible Contribution Limits

Campaign limits preserve the power of regular Missourians in the political process and limit the influence of wealthy special interests. In 2008, the General Assembly eliminated contribution limits, clearing the way for special interests to give candidates millions of dollars. Governor Nixon believes that elections should be competitions of ideas, not competitions for rich donors. The Governor will advocate for a new campaign finance system that not only reinstates contribution limits, but also allows for full transparency.